

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 99-0668P

Sales and Use Tax

Calendar Year 1996

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, in a letter dated December 16, 1999 protested the penalty assessed in an audit completed on October 12, 1999. Taxpayer failed to self assess use tax on taxable general purchases, had no use tax accrual system in place, and failed to charge sales tax on a minute portion of its sales.

I. **Tax Administration** – Penalty

DISCUSSION

At issue is whether the taxpayer was negligent when it failed to self assess use tax on clearly taxable items.

Taxpayer states it was unaware of all the tax regulations in effect and has taken steps to ensure that it is in compliance. Taxpayer requests that the penalties be abated.

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A review of the audit indicates the taxpayer made no attempt to self-assess use tax and no use tax accrual system was in place. The ST103's clearly have a line in which to report purchases where no tax was paid.

The department finds no reasonable cause exists, therefore, the request for penalty waiver is denied.

FINDING

Taxpayer's protest is denied.

DSW/RAW/JMS/dw 000402